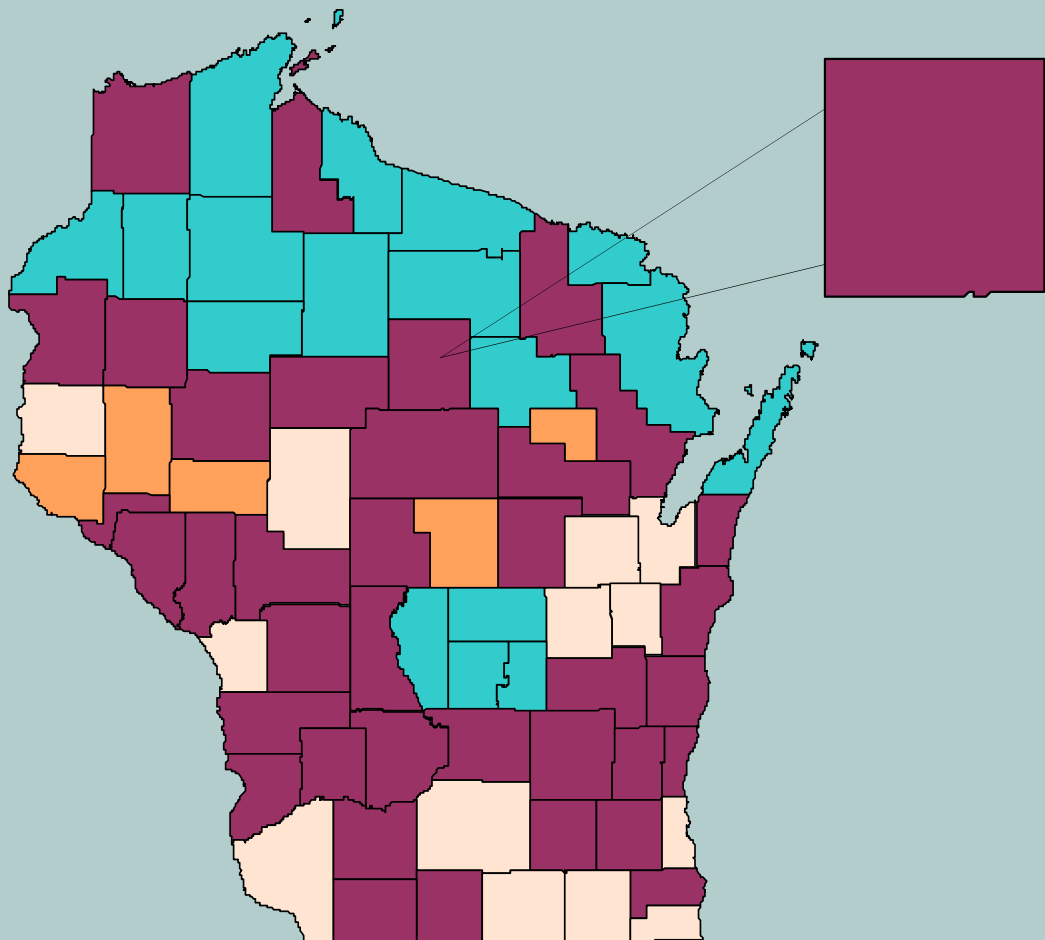
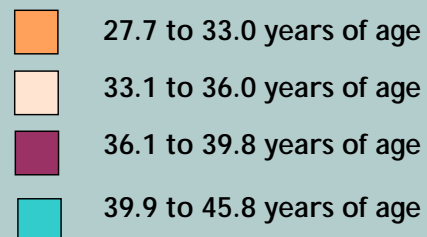


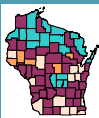
Lincoln County Workforce Profile

Median Age by County, 2000



Your complete
guide to the
state of the
labor force of
today and a
glimpse into
the economy of
tomorrow.





County Population

From 1990 to 2000 the population in Lincoln County increased from 26,993 to 29,641 according to Census 2000 information. That increase of 2,648 residents was six times the increase during the last decade. The county continued to add residents through the end of 2000 and by the end of the year the population increased by another 135 residents, less than the pace of both the national and state increases in population.

The increase in population of 9.8 percent during the 1990s ranked 38th out of 72 counties in the state. From 1990 to 2000 there were 3,365 births in Lincoln County that exceeded the number of deaths by 326. Meanwhile, net migration produced 2,323 new residents during the decade, a significant reversal of the loss recorded during the 1980s.

A net gain in population from migration means that more people moved to the county than moved out of the county. Census 2000 reveals that roughly 14 percent of the population over 5 years old, 3,938 individuals, lived in a different county in 1995. Of those new residents 30 percent moved from another state and 70 percent from somewhere else in Wisconsin.

Migration continued to play a leading role in the increase in population from April 2000 to January 1, 2001. During that time period 174 new residents moved to the county and many of those residents were moving to locations outside the county's largest cities. Merrill and Tomahawk showed no increase in population while some of the smaller towns reported population all of the gains.

Many of the residents that moved to the county during the 1990s were older but not so old that they were ready to retire. The greatest increase in the population occurred in the 40-49 year old age group, followed by the second largest increase in the 50-59 year old age group. Most of the increase was from an aging population, but not all of it.

Both the increase in population from older people moving to the county and the aging of the existing population, impacted the median age in Lincoln County. The median age increased from 34.9 years in 1990 to 38.9 years in 2000. The median age in Lincoln County is higher than the state median age of 36.0 years and the national median of 33.3 years.

The higher median age means that there are more

(Continued on page 2)

Total Population

	2000 Census	January 1, 2001 Estimate	Percent change
United States	281,421,906	283,474,000	0.7%
Wisconsin	5,363,675	5,400,449	0.7%
Lincoln County	29,641	29,776	0.5%

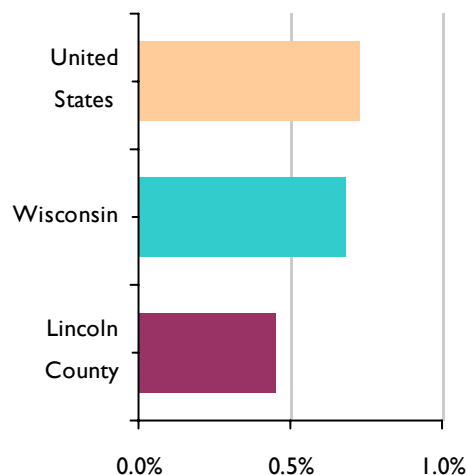
Ten Largest Municipalities

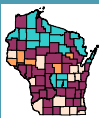
Merrill, City	10,146	10,150	0.0%
Tomahawk, City	3,770	3,768	-0.1%
Merrill, Town	2,979	2,990	0.4%
Bradley, Town	2,573	2,590	0.7%
Pine River, Town	1,877	1,909	1.7%
Scott, Town	1,287	1,308	1.6%
Schley, Town	909	911	0.2%
King, Town	842	851	1.1%
Corning, Town	826	833	0.8%
Harrison, Town	793	807	1.8%

* Lincoln portion only

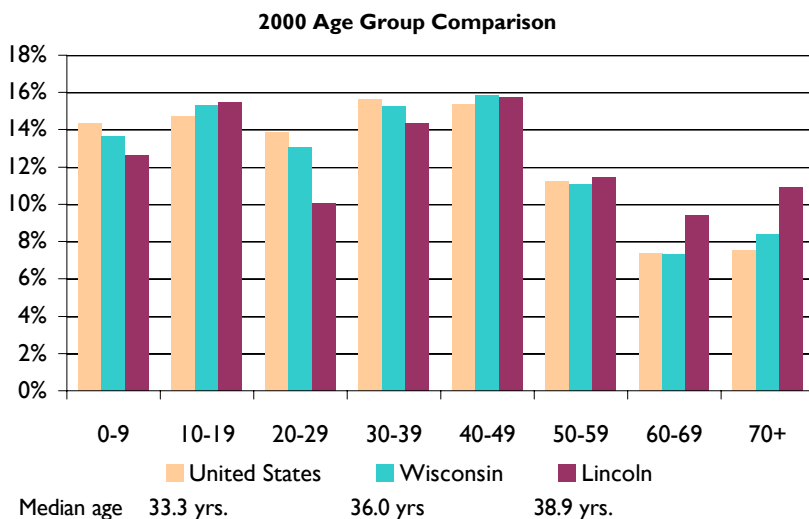
Source: Wisconsin Department of Administration, Demographic Services, 2002

Population Growth 2000-2001





residents in the older population groups than in the younger age groups something apparent in the graph on the right. The county has a smaller share of population in the youngest age group than both the state and nation. The 10 to 19 year old group is larger than in the state and nation reflecting the higher birth rates of the 1980s. However, once they graduate from high school, these residents leave the area to continue their education or search for work. This loss is evident in the dramatic drop in 20-29 year olds.



Source: US Department of Commerce, Census Bureau, *Census 2000*

At age 40 the county share of population is very similar to both the state and nation, but by age 50 those similarities end. This reflects both the increases from residents moving to the area and the aging of the last of the baby boom population. Over the age of 60 the county has a much larger share of population than either the state or nation.

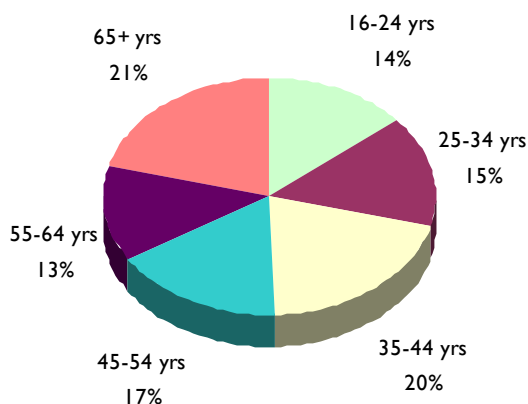
older population, preparing to retire, will exacerbate the labor shortage. Compounding the problem of fewer workers is an aging population requiring more services that historically have been supplied by a young workforce.

The consequences of this disparity on the current and future labor force cannot be overstated. While the labor force has already shown signs of diminished growth, the full impact of fewer younger people available for the labor supply and an increasing

The US Bureau of Labor Statistics (BLS) includes only the population 16 years and older as a potential source of labor. The BLS also excludes the population residing in institutions, such as nursing homes and prisons, and military personnel as a source of labor.

County Civilian Labor Force

Lincoln County Labor Force Age Groups



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

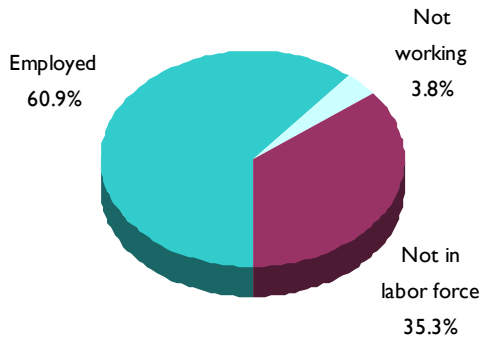
The Lincoln County population in 2000 16 years and older totaled 23,314. This population comprises the potential labor force in the county even though 21 percent is 65 years and older. The population over 65 years old shares some common characteristics. To begin with, most of them are retired, even though a recent trend has retirees returning to the workforce to pursue new interests.

Other age groups also share characteristics. The 16-24 year olds are generally in school, work part-time and during summer breaks, and are starting their first jobs. This group is largely responsible for the increase in labor force during the summer months.

(Continued on page 3)

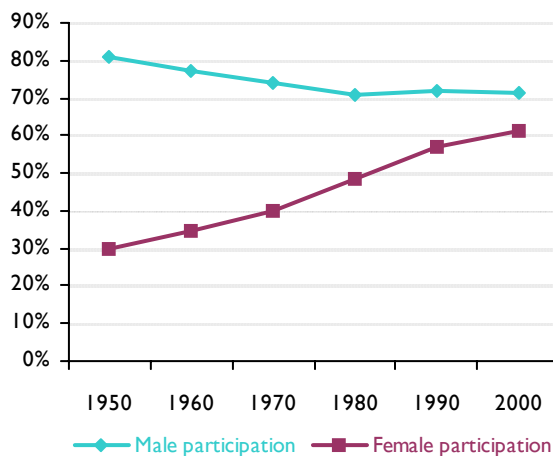


2001 Labor Force Participation



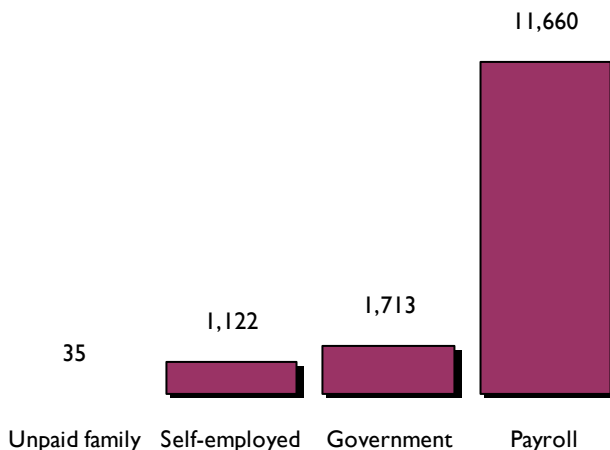
Source: Estimated from WI Dept. of Administration population estimates, Jan. 2001, US Census Bureau, and WI Local Area Unemployment Statistics.

Labor Force Participation of Male and Female Residents



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Type of Employment



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

The next group, 25-34 year olds, are the workforce of the future, developing and honing skills, and moving into new careers. Many are starting and raising families, acquiring property, and working in at least one job if not two. Many of these same characteristics are shared by the next group, 35-44 year olds. This group is also preparing to send children to college, adding or upgrading housing, and looking for ways to add to the family income. Labor force participation is often highest in this group.

By middle-age, workers begin to think about retirement, and during the 1990s, workers were retiring in their fifties. By 65 years old most of the population has retired. Because each age group has different interests the number of individuals who are employed or at least look for work varies. Labor force participation rates by age groups from Census 2000 is scheduled for release in the fall of 2002.

An estimate of labor force participation in 2001 in Lincoln County included 60.9 percent of the labor force age population that worked, 3.8 percent of the population that were unemployed and 35.3 percent who choose not to work. The labor force participation rate in 2001 (the percent of the population 16 years and over that either worked or looked for work) was 64.7 percent.

An interesting phenomenon occurring in Lincoln County and elsewhere in the state and nation, is the growing number of women entering the labor force. This movement, which began in earnest after WW II, has been increasing strongly since the early 50s as more women of all ages entered the workplace for both part and full time work. Male rates of participation were at roughly 81 percent in the post war years and have declined to about 71 percent in the recent past. Female participation has steadily increased over the last 50 years and is approaching that of men.

Both male and female participants who work are engaged in several 'types of employment'. In Lincoln County 80 percent of the employed population work for a private employer and receive a payroll check. Government workers also receive a payroll check, and comprise another 12 percent of total employment.

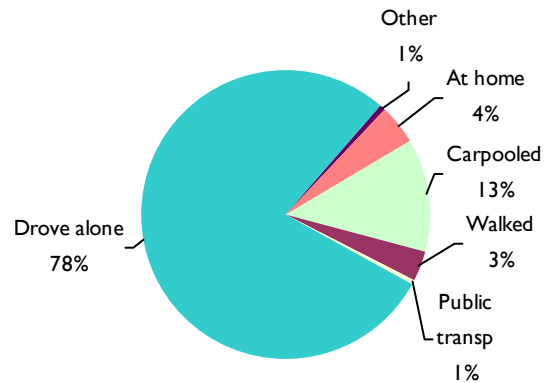
(Continued on page 4)



Roughly eight percent of workers in Lincoln County are either self-employed or work as an unpaid family member. The share of self-employed and unpaid family members is higher in Lincoln County than in the state (6.4%), but is lower than in some neighboring counties. Self-employed and proprietors tend to stay in the labor force longer than workers in payroll jobs do. The number of self-employed and unpaid family members are included in the estimate for total employed in the county. It is one of the reasons that total employment in most counties is greater than the nonfarm wage and salary estimate (see page 5).

An additional factor that effects the local labor force is the number of workers who commute into, or out of the county for jobs. Census 2000 revealed that roughly 28 percent of the workers living in Lincoln County traveled to jobs in other Wisconsin counties while another 2 percent traveled to jobs in another state. The specific destination of those workers from the census is not scheduled for release until 2003, but it is very likely that many of them were commuting to jobs in Marathon County.

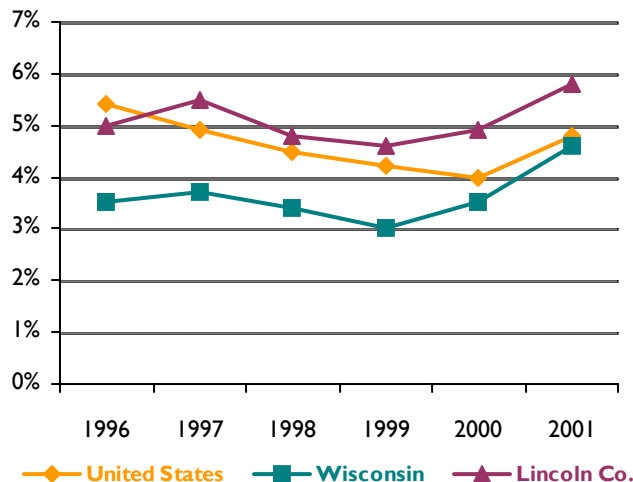
County Travel-to-Work Patterns



Source: US Dept. of Commerce, Census Bureau, Census 2000

How those workers travel-to-work reveals some interesting things about Lincoln County workers and their driving habits. Not surprisingly, most people drive to work alone. This is the pattern in other places as well, (inside and outside of Wisconsin), even where carpooling is strongly encouraged. Over 13 percent of work drivers carpoolled higher than in the state. Less than one percent of people use public transportation, but with no public transportation even that is high.

Unemployment Rate Comparison

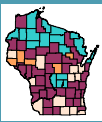


Over the last five years the number of employed in Lincoln County declined by 1,200 from 15,100 in 1996. The drop in employment is especially acute in 1999 with the reduction in total labor force. The change is due more to an anomaly in estimating than a loss of county jobs and produced a lower unemployment rate. In most years the county average annual unemployment is higher than state or national rates. Because of the number of seasonal jobs, there are some summer months, however, when the county rate drops below both the state and national unemployment rates. In September, 2001 the unemployment rate was 3.7 percent, down significantly from the high of 8.6 percent in February of that year.

Lincoln County Civilian Labor Force Data

	1996	1997	1998	1999	2000	2001
Labor Force	15,900	16,000	15,400	14,300	14,700	14,700
Employed	15,100	15,100	14,700	13,700	13,900	13,900
Unemployed	800	880	750	650	720	860
Unemployment Rate	5.0%	5.5%	4.8%	4.6%	4.9%	5.8%

Source: WI Department of Workforce Development, Local Area Unemployment Statistics, revised March 2002



County Industry Employment

Nonfarm Wage and Salary Employment

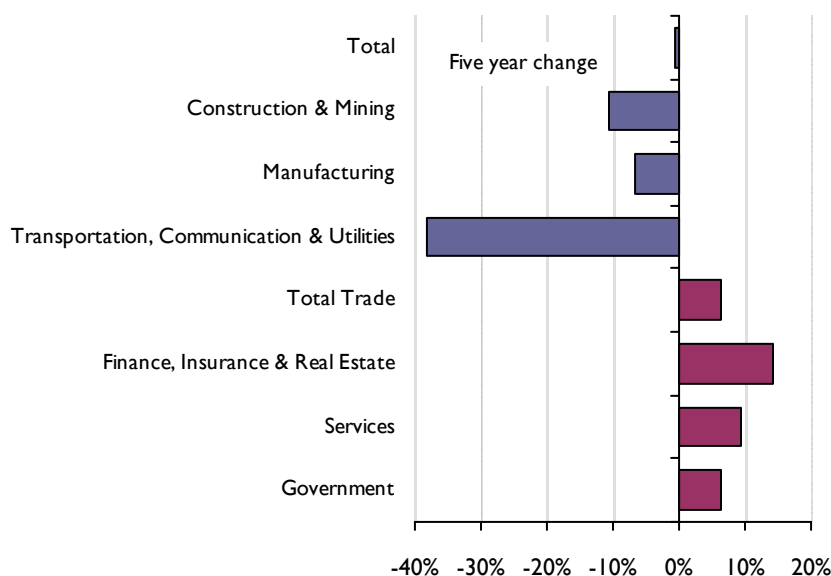
	1996	1997	1998	1999	2000	2001	Percent change	
							1 year	5 year
Total	12,446	12,724	12,584	12,210	12,513	12,352	-1.3%	-0.8%
Goods Producing	4,691	4,750	4,673	4,703	4,801	4,361	-9.2%	-7.0%
Construction & Mining	436	435	463	528	512	389	-24.0%	-10.7%
Manufacturing	4,255	4,316	4,210	4,175	4,289	3,972	-7.4%	-6.7%
Durable	2,877	2,967	2,866	2,828	2,987	2,912	-2.5%	1.2%
Nondurable	1,378	1,349	1,344	1,347	1,302	1,060	-18.6%	-23.0%
Service Producing	7,755	7,973	7,910	7,507	7,712	7,991	3.6%	3.0%
Transportation, Communications & Utilities	822	831	774	499	509	509	0.1%	-38.1%
Total Trade	2,522	2,642	2,634	2,749	2,739	2,685	-2.0%	6.4%
Wholesale	350	377	397	381	397	404	1.9%	15.6%
Retail	2,172	2,266	2,237	2,368	2,342	2,280	-2.6%	5.0%
Finance, Insurance, and Real Estate	638	667	557	268	452	729	61.1%	14.2%
Services & Misc.	1,780	1,829	1,870	1,893	1,884	1,946	3.3%	9.3%
Total Government	1,993	2,005	2,075	2,097	2,128	2,122	-0.3%	6.5%

Source: WI Department of Workforce Development, Nonfarm wage and salary estimates, revised March 2002

Nonfarm wage and salary employment measures the number of jobs within a county excluding military, and self-employed workers. This data measures the number of jobs within the county without consideration of where the job-holder lives. Thus, this information is often referred to as "place of work" data.

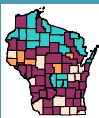
When one looks at the employment picture in Lincoln County by industry over the period 1996—2001, some employment levels increased, but there were significant declines in other areas of work. There were decreases in job levels in both the transportation, construction jobs, and some in manufacturing. Transportation lost over 300 jobs since 1996. Finance, insurance, and real estate gained the most in this period, and much of this may have been due to the presence of the head quarters of a notional insurance company in Merrill.

Employment Change by Industry Division: 1996 to 2001



Source: WI DWD, Nonfarm wage and salary estimates, revised March 2002

The employment picture of Lincoln County bears watching in the years to come as present employment trends indicate possible concerns in that labor market, most particularly negative growth in trade and manufacturing employment. This is somewhat unusual except as a seasonal fluctuation. As a paper producing county, Lincoln finds itself in the same position as others in the district where paper is a major player—world overcapacity and competition are creating concerns over the future of this industry.



Top 10 Employers

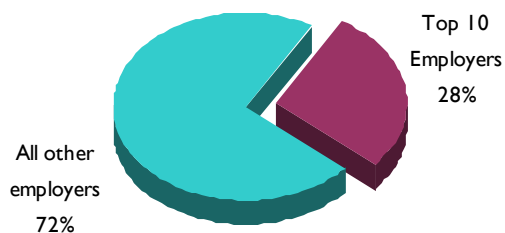
Company	Product or Service	Size
Merrill Public School	Public Instruction	500-999
Hurd Millwork Co. Inc.	Millwork and Wood Products	500-999
County of Lincoln	Public Employment	250-499
Church Mutual Insurance Co	Insurance Underwriters	250-499
Packaging Corp. of America	Paper Products	250-499
Semling Menke	Windows, Doors	250-499
Lincoln Wood Products	Building Products	250-499
Harley-Davidson Motor Co.	Motorcycle Accessories	250-499
Department of Corrections	Juvenile Correction Facility	250-499
School District of Tomahawk	Public Education	250-499

Top 10 Industry Groups

Industry Group	March 2001		Numeric change	
	Employers	Employees	1-year	5-year
Lumber and Wood Products	22	1,415	-148	-157
Fabricated Metal Products	14	897	21	8
Educational Services	4	890	15	*
Eating and Drinking Places	66	826	-2	97
Health Services	32	695	3	-49
Executive, Legislative, and General	*	*	*	*
Paper and Allied Products	*	*	*	*
Food Stores	8	460	18	30
Insurance Carriers	*	*	*	*
Automotive Dealers & Service Stations	31	398	7	13

*data suppressed to maintain confidentiality

Top 10 Employers' Share of Nonfarm Employment



Top 10 Industry Group Share of Nonfarm Employment



Source: WI Department of Workforce Development, ES-202 file tape, December 2001

When one looks at the industrial landscape of Lincoln County, one of the most obvious features is the relatively large size of individual businesses for a rural county. The larger employers in the county have between 250 and 500 employees. The mix is everything between manufacturing and grocery goods, concentrated mainly in the cities of Merrill and Tomahawk.

The larger private sector employers are a cross section of the industrial spectrum - manufacturing, service, and trade. This variety is a healthy condition in any labor market. In Lincoln County, the top ten employers portion of total employment is just under 30 percent, while the top ten industries comprise nearly 60 percent of the total number of jobs. In both cases, that reflects a good portion of the total number of county employers.

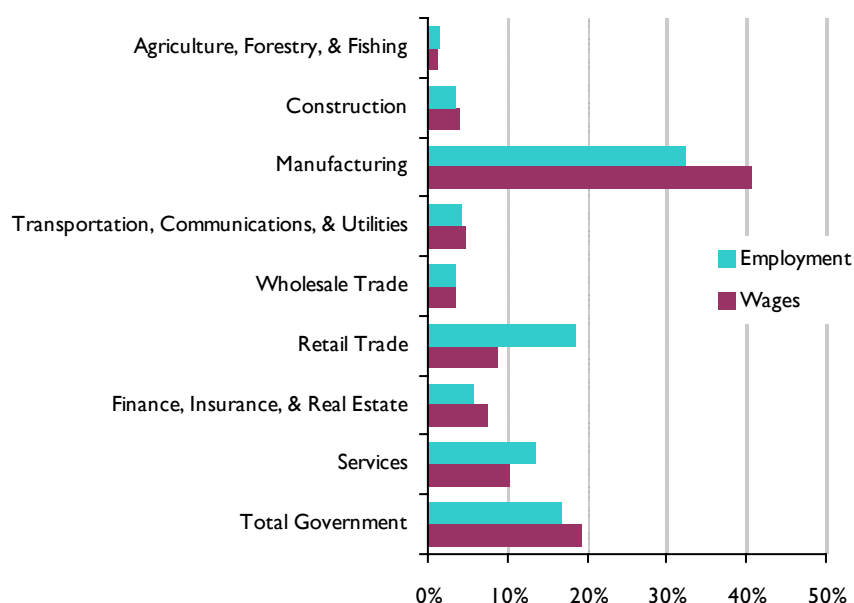


When looking at the table at the bottom of the page, the one thing that seems to stand out is the fourth column, indicating the *percent of the state average wage* paid in different industries in Lincoln County. Average annual wage levels in Lincoln County are below the state average in each industry division. Retail trade wages, which are the lowest in the county, are closer to wages for similar work in the state than most other industries. That's because the occupations and wages of workers in retail trade vary little from county to county.

Wages for manufacturing workers, which are less than 80 percent of comparable wages in the state, are rather low especially since local employers compete somewhat with Marathon County employers. Manufacturing wages, traditionally among the higher wage levels in any given labor market, had an average annual wage in Lincoln County well below that of other counties in the region. Transportation and utilities, another industry traditionally with higher wages in most areas of the state, comes in even lower than manufacturing. Occupational elements of this sector would be local hauling, pulp truck hauling, and others, which in this part of the state often pay lower wages.

Considering employment and wage distribution in Lincoln County, several things stand out. Manufacturing employment accounts for a higher percentage of employment than any other sector in the county. The second largest sector is government, followed by employment in services, and then retail trade. Wage distribution is somewhat of a different story. While total payroll from manufacturers is the largest in the county, payroll from retail trade employers is second largest, followed by government payroll, then services.

Employment & Wage Distribution by Industry Division

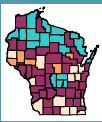


Annual Average Wage By Industry Division

	Lincoln Co. Annual Average Wage	Wisconsin Annual Average Wage	Percent of State Average	1-year percent change	5-year percent change
All Industries*	\$ 25,212	\$ 30,922	81.5%	4.9%	14.1%
Agriculture, Forestry, & Fishing	\$ 18,226	\$ 22,565	80.8%	9.9%	42.6%
Construction	\$ 30,430	\$ 39,011	78.0%	-6.3%	14.9%
Manufacturing	\$ 31,608	\$ 39,739	79.5%	3.1%	14.7%
Transportation, Communications, & Utilities	\$ 27,083	\$ 36,639	73.9%	4.5%	7.3%
Wholesale Trade	\$ 24,976	\$ 40,521	61.6%	1.0%	26.3%
Retail Trade	\$ 12,083	\$ 14,596	82.8%	3.3%	15.4%
Finance, Insurance, & Real estate	\$ 32,202	\$ 40,933	78.7%	53.7%	28.2%
Services	\$ 19,109	\$ 28,775	66.4%	4.2%	17.2%
Total Government	\$ 28,924	\$ 33,785	85.6%	4.9%	13.3%

* Mining excluded from table since wages were suppressed to maintain confidentiality in every county

Source: WI DWD, *Employment, Wages, and Taxes Due* covered by Wisconsin's U.C. Law, 2002



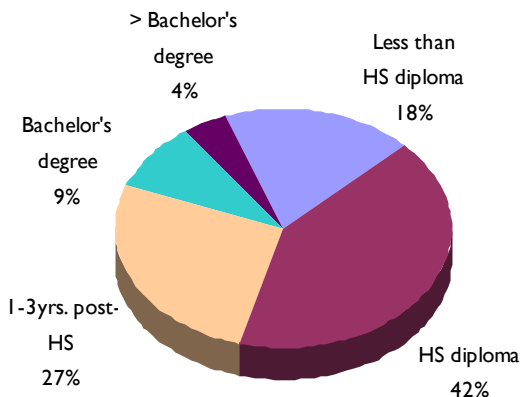
Occupation and Education Characteristics of County Population

The previous pages explored jobs classified by industry, but jobs are also classified by occupation. Data on occupation employment is more difficult to access, especially at the county level, but the census offers a glimpse into the types of occupations in Lincoln County. The distribution of occupations reflects the employment of all these workers, including those that are self-employed and own businesses.

It should not be surprising that the occupational profile of Lincoln County is different than that of the state, or most other counties, for that matter, since a much larger share of the jobs are in manufacturing. Taking a close look at the occupational makeup of any area—county, city, state—especially when making comparisons with other areas can tell us a few things about what the working people there are busy with, which industries are prominent in the area, and by extension, what the needs of the businesses involved are going to be as far as worker skills are concerned.

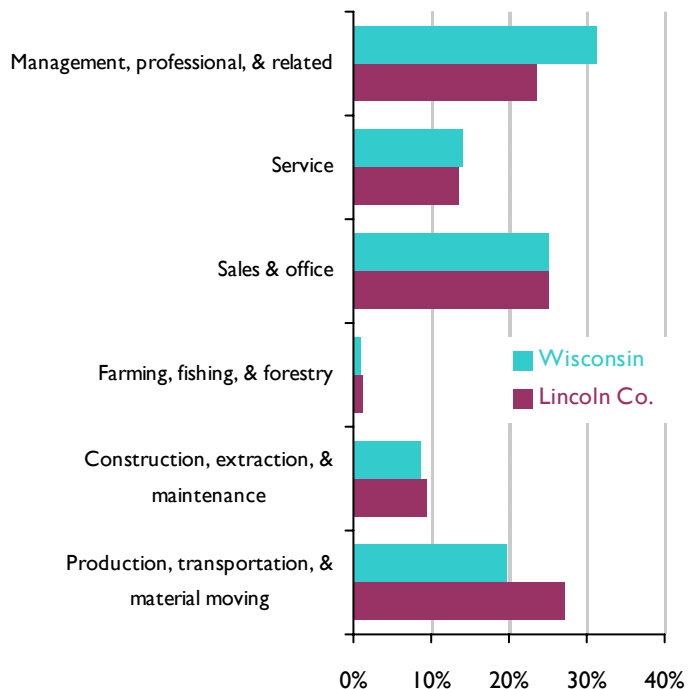
Not surprisingly, the majority of people have a high school diploma, with just under 20 percent not having graduated. Another 40 percent or so have education beyond high school, primarily in areas of vocational preparation. Workers with vocational degrees find employment in all occupational groups, but especially in the largest occupational group in

Education Attainment in 2000



Source: US Dept. of Commerce, Census Bureau, *Census 2000*

Employment by Occupation Group: 2000



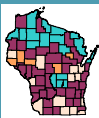
US Department of Commerce, Census 2000

the county - production, transportation and material moving. Employers now expect workers in many of these occupations to have some training beyond high school.

Only 13 percent of county residents have a college degree compared with 22.5 percent statewide. Many of the jobs requiring a college degree are professional and related, and in Lincoln County, that occupational group comprises fewer jobs than in the state.

The third largest occupational group, sales and office occupations, matches the distribution in the state. Employers have also come to expect that workers in these occupations have a vocational degree.

The fourth largest group, slightly smaller than in the state, is service occupations and has the fewest occupations that require training beyond high school. Service occupations include nurse aides, janitors, kitchen workers, waiters, and police and firefighters.



County Income Information

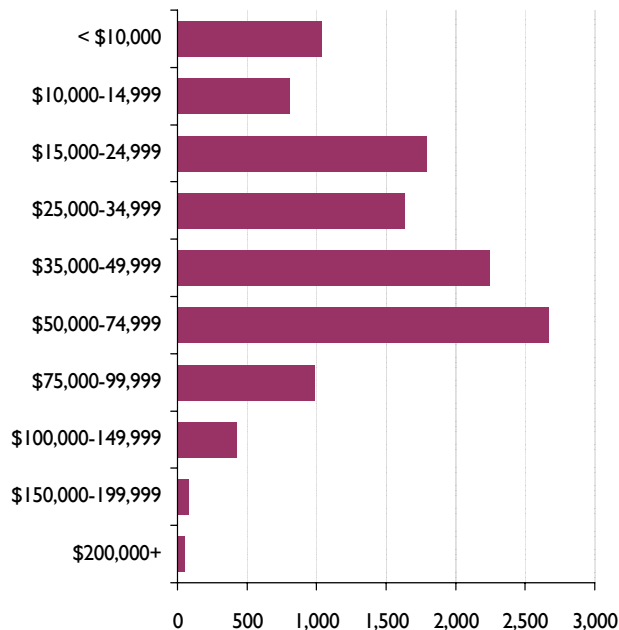
Per capita income is total income divided by the total number of residents. Income includes wages earned, dividends from investments, and transfer payments from the government. Lincoln County's per capita personal income was about \$7,500 below that of the state in 2000.

Per capita income can be influenced by the number of wage earners, average family size, and the median age of the residents. Per capita income can influence the type of services and housing available within a county. Over the past six years, Lincoln County per capita income has increased by about \$3,000, or about 17 percent over the period. That is far below increases in both the state and nation of 27 and 26 percent, respectively, over the five-year period.

Another measure of income in the county is by households. Household income is higher than either per capita personal income or annual average wages because households generally include more than one worker. The median household income in 1999 (last full year of income data used for the census) in Lincoln County of \$39,120 was 90 percent of the state median income of \$43,791. Only 13 percent of the households in the county had an annual income over \$75,000 while 30 percent earned less than \$25,000.

Incomes are lower in Lincoln County, not only because of lower wages but also because of a larger

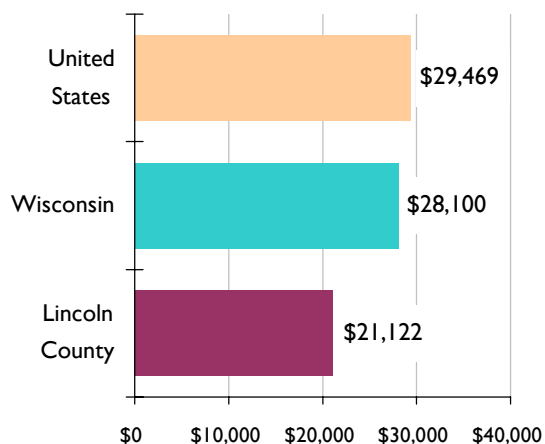
Households by Income Range
Median household income in Lincoln Co. \$39,120



Source: US Dept. of Commerce, Census Bureau, Census 2000

elderly population living on fixed incomes. Income from transfer payments in the county are a much greater share than in either the state or nation. The population living on fixed income will only increase in the next ten years. This is not an inconsiderable increase for a rural northern county, but still well behind the state level, for example.

Per Capita Personal Income 2000



Source: US Department of Commerce, Bureau of Economic Analysis

Components of Total Personal Income: 2000

